

FISCAL NOTE

SB 1368 - HB 1302

March 28, 2003

SUMMARY OF BILL: Creates an excise tax credit for qualified contributions to fund K-12 scholarships for students that receive free or reduced priced lunches as follows:

- These scholarships would provide students with \$3500 to attend a private school or \$500 for transportation to public schools outside the student's district.
- The credit is for 100% of the contribution up to a total of 25% of the taxpayer's liability.
- The credit would be reduced by the difference between the businesses' federal income tax including the credit and excluding the credit.
- There is a contribution limit of \$5,000,000.

ESTIMATED FISCAL IMPACT:

Decrease State Revenues - Exceeds \$1,000,000

Increase State Expenditures - \$95,500 One-Time

The amount of donations to scholarships and the resulting credits against excise tax liability cannot be determined but can reasonably be estimated to exceed \$1,000,000.

State expenditures are for automated system changes and notification of taxpayers of the changes contained in the bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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